

**ORIGINAL**  
08 MAR 19 PM 3:09

CLERK, U.S. DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA

CP DEPUTY

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**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA**

DEBORAH DONOGHUE,

Plaintiff,

- against -

IMMUNOSYN CORPORATION,  
ARGYLL BIOTECHNOLOGY LLC,  
DOUGLAS McCLAIN, JR. and  
JAMES T. MICELI,

Defendants.

'08 CV 0510 JM WMc

COMPLAINT FOR RECOVERY OF  
OF SHORT-SWING PROFITS BY  
SHAREHOLDER

(Jury Trial Demanded)

DEBORAH DONOGHUE, by David Lopez, Esq. and William R. Fuhrman, her  
attorneys, complaining of the defendants, respectfully alleges the following upon

1 information and belief, except as to paragraph 2, which plaintiff alleges on personal  
2 knowledge:

3  
4  
5 **JURISDICTION:**

6  
7 1. This action arises under the provisions of Section 16(b) of the Securities  
8 Exchange Act of 1934, as amended (the "Act"), 15 U.S.C. Section 78p(b), and  
9 jurisdiction is conferred upon this court by Section 27 of the Act, 15 U.S.C. Section  
10 78aa.

11 **THE PARTIES:**

12  
13 2. Plaintiff is a security owner of IMMUNOSYN CORPORATION  
14 ("IMMUNOSYN"), a Delaware Corporation with principal offices at 4225 Executive  
15 Square, Suite 260, La Jolla, California 92037.

16  
17 3. At all times relevant the common stock of IMMUNOSYN was registered under  
18 Section 12(g) of the Act and was and is traded on the over-the-counter market  
19 through market makers located within this district.

20  
21 4. This action is brought in the right and for the benefit of IMMUNOSYN which is  
22 named as a party defendant solely in order to have all necessary parties before the  
23 court.

24  
25 5. At all times relevant ARGYLL BIOTECHNOLOGIES LLC ("ARGYLL") was  
26 and is a Texas limited liability entity with principal offices at 4225 Executive Square,  
27 Suite 260, La Jolla, California 92037, the same space occupied by IMMUNOSYN.  
28

1 6. ARGYLL was and is a beneficial owner of more than 10% of the common stock  
2 of IMMUNOSYN and thereby within the reach of Section 16(b) of the Act with  
3 respect to its trading activities in the equity securities of IMMUNOSYN.  
4

5 7. At all times relevant DOUGLAS McCLAIN, JR. ("McCLAIN") was and is the  
6 president of ARGYLL and along with JAMES T. MICELI ("MICELI") one of the  
7 two beneficial owners of its equity securities.  
8

9 8. McCLAIN has a principal place of business at 4225 Executive Square, Suite 260,  
10 La Jolla, California 92037, the same space occupied by IMMUNOSYN.  
11

12 9. At all times relevant McCLAIN was an officer and/or director of IMMUNOSYN,  
13 to wit: chairman of the board and corporate secretary. Additionally, McCLAIN is  
14 directly and through intermediate entities a beneficial owner of more than 10% of the  
15 common stock of IMMUNOSYN. McCLAIN is within the reach of Section 16(b) of  
16 the Act with respect to his trading activities in the equity securities of  
17 IMMUNOSYN.  
18

19 10. McCLAIN is the 100% owner of CLAIRSVILLE HOLDINGS, INC.  
20 (CLAIRSVILLE), a British Virgin Islands company, which is an owner, for  
21 McCLAIN's benefit, of shares of IMMUNOSYN  
22

23 11. At all times relevant MICELI was and is, both through direct ownership and  
24 through the ownership of intermediate entities which hold shares of IMMUNOSYN  
25 for his benefit, a more-than-10% beneficial owner of the common stock of  
26 IMMUNOSYN and within the reach of Section 16(b) of the Act.  
27  
28

1 12. At all times relevant MICELI was and is the chief executive officer of ARGYLL  
2 and along with McCLAIN one of the two beneficial owners of its equity securities.

3  
4 13. MICELI has a principal place of business at 4255 Executive Square, Suite 260, La  
5 Jolla, California 92037, the same space occupied by IMMUNOSYN.

6  
7 14. MICELI is the 100% owner of CUXHAVEN HOLDINGS LTD., a British Virgin  
8 Islands company, which is an owner for MICELI's benefit of shares of  
9 IMMUNOSYN.

10  
11 15. McCLAIN and MICELI are, respectively, president and chief executive officer of  
12 ARGYLL EQUITIES ("EQUITIES"), a Texas limited liability company whose  
13 principal office is 4225 Executive Square, Suite 260, La Jolla, California 92037, the  
14 same space occupied by IMMUNOSYN.

15  
16 16. McCLAIN and MICELI are the sole shareholders of ARGYLL EQUITIES which  
17 is an owner, for McLAIN's and MICELI's benefit, of shares of IMMUNOSYN.

18  
19 17. McLAIN and MICELI each own 45% of PADMORE, the remaining 10% being  
20 owned by McCLAIN's father.

21  
22 18. PADMORE is an owner, for *inter alia*, McLAIN's AND MICELI's benefit, of  
23 shares of IMMUNOSYN.

24  
25 19. By reason of McLAIN's and MICELI's ownership interests in ARGYLL,  
26 CLAIRSVILLE, CUXHAVEN, EQUITIES and PADMORE, McCLAIN and  
27 MICELLI were and are the beneficial owners of shares of IMMUNOSYN owned of  
28

1 record by those entities to the extent of their respective pecuniary interests in those  
2 entities.

3  
4 **STATUTORY REQUISITES:**

5  
6 20. The violations of Section 16(b) of the Act to be described herein involve non-  
7 exempt securities in non-exempt transactions engaged in by non-exempt persons  
8 within the meaning of the Act.

9  
10 21. Demand for prosecution was made on IMMUNOSYN on October 26, 2007.  
11 More than 60 days have passed from the date of the initial demand with  
12 IMMUNOSYN declining to discuss the matter with plaintiff's counsel. Further delay  
13 in the filing of suit would be a futile gesture, the mandatory statutory waiting period  
14 having been observed.

15  
16 22. Some or all of the transactions to be described herein were effected in whole or in  
17 part within the Southern District of California.

18  
19 23. All defendants reside, have principal places of business and are found within the  
20 Southern District of California.

21  
22 24. This action is brought within two years of the occurrence of the violations to be  
23 described herein or within two years of the time, if ever, when reports required by 15  
24 U.S.C. 78p(a) setting forth the substance of the transactions here complained of were  
25 first filed with the Securities & Exchange Commission.

**FIRST CLAIM FOR RELIEF:**

25. McCLAIN made the following sales of IMMUNOSYN common stock on the dates, in the quantities and at the prices here shown:

Date	Number of Shares	Price Per Share
04/26/2007	200,000	\$0.0001
04/26/2007	38,500	3.25
04/26/2007	83,050	4.55
04/26/2007	572,000	4.55
04/26/2007	62,000	4.84
04/26/2007	22,500	5.00
04/26/2007	18,500	5.00
04.26.2007	4,950	5.05
04/26/2007	39,050	9.09
06/12/2007	38,632.5	5.00
07/20/2007	39,500	0.004
07/20/2007	63,550	5.00
07/20/2007	2,000	5.00
07/20/2007	49,500	5.00
08/23/2007	141,120	5.00
08/23/2007	14,850	4.55
10/03/2007	187,500	0.667
10/03/2007	12,500	2.00
10/03/2007	78,450	5.00
10/03/2007	70,101	7.50
10/18/2007	12,250	5.00
10/18/2007	57,033.5	7.50
10/18/2007	124,500	10.00

26. MICELI made the following sales of IMMUNOSYN common stock on the dates, in the quantities and at the prices here shown:

Date	Number of Shares	Price Per Share
04/26/2007	200,000	\$0.0001
04/26/2007	38,500	3.25
04/26/2007	83,050	4.55
04/26/2007	572,000	4.55
04/26/2007	62,000	4.84
04/26/2007	22,500	5.00
04/26/2007	18,500	5.00
04/26/2007	4,950	5.05
04/26/2007	39,050	9.09

1	06/12/2007	38,632.5	5.00
2	07/20/2007	39,500	0.004
3	07/20/2007	63,550	5.00
4	07/20/2007	2,000	5.00
5	07/20/2007	49,500	5.00
6	08/23/2007	192,470	4.97
7	08/24/2007	125,000	10.00
8	10/03/2007	367,069	2.98
9	10/18/2007	136,250	9.57
10	10/18/2007	193,783.5	8.95

27. ARGYLL made the following sales of IMMUNOSYN common stock on the dates, in the quantities and at the prices here shown, all of which are attributable to McCLAIN and MICELI in proportion to their pecuniary interests in ARGYLL:

Date	Number of Shares	Price Per Share
04/26/2007	77,000	\$3.25
04/26/2007	166,100	4.55
04/26/2007	124,000	4.84
04/26/2007	45,000	5.00
07/20/2007	127,100	5.00
07/20/2007	4,000	5.00
10/03/2007	375,000	0.67
10/03/2007	25,000	2.00
10/03/2007	119,400	5.00
10/03/2007	140,202	7.50
10/18/2007	1,000	5.00
10/18/2007	114,067	7.50
10/24/2007	16,000	5.00

28. EQUITIES made the following sales of IMMUNOSYN common stock on the dates, in the quantities and at the prices here shown all of which are attributable to McCLAIN and MICELI in proportion to their pecuniary interests in EQUITIES:

Date	Number of Shares	Price Per Share
04/26/2007	400,000	\$0.0001
04/26/2007	1,144,000	4.55
04/26/2007	37,000	5.00
04/26/2007	9,900	5.05
04/26/2007	78,100	9.09
07/20/2007	79,000	0.004

1	07/20/2007	99,000	5.00
2	08/23/2007	73,000	5.00
3	10/03/2007	37,500	5.00
4	10/03/2007	37,036	7.50
5	10/18/2007	23,500	5.00
6	10/18/2007	249,000	10.00

29. PADMORE made the following sales of IMMUNOSYN common stock on the dates, in the quantities and at the prices here shown, all of which are attributable to McCLAIN and MICELI in proportion to their pecuniary interests in PADMORE:

Date	Number of Shares	Price Per Share
06/12/2007	85,850	\$5.00
08/23/2007	33,000	4.55
08/23/2007	313,600	5.00

30. McCLAIN made the following purchases of IMMUNOSYN common stock on the dates, in the quantities and at the prices here shown:

Date	Number of Shares	Price Per Share
06/21/2007	1,250,000	\$0.0001
08/23/2007	16,500	4.55
08/23/2007	40,000	5.00
08/24/2007	125,000	0.0001

31. MICELI made the following purchases of IMMUNOSYN common stock on the dates, in the quantities and at the prices here shown:

Date	Number of Shares	Price Per Share
06/21/2007	1,350,000	0.0001
08/23/2007	16,500	4.55
08/23/2007	40,000	5.00
08/24/2007	125,000	0.0001

32. EQUITIES made the following purchases of IMMUNOSYN common stock on the dates, in the quantities and at the prices here shown, all of which are attributable to McCLAIN and MICELI in proportion to their pecuniary interests in EQUITIES:



Date	Number of Shares	Price Per Share
06/21/2007	2,700,000	\$0.001
08/24/2007	250,000	0.00001

33. ARGYLL made the following purchases of IMMUNOSYN common stock on the dates, in the quantities and at the prices here shown, all of which are attributable to McCLAIN and MICELI in proportion to their pecuniary interests in ARGYLL:

Date	Number of Shares	Price Per Share
08/23/2007	33,000	\$4.55
08/23/2007	80,000	5.00

34. The foregoing purchases and sales are matchable against one another using the "lowest-in, highest out" method and produce profits recoverable from ARGYLL, McCain and MICELI to the extent of their respective pecuniary interests in such profits. The amounts of such profits are unknown to Plaintiff but are estimated to exceed \$12,500,000.

35. Such profits are recoverable on behalf of IMMUNOSYN by Plaintiff as a shareholder of IMMUNOSYN, the latter, under the control of McCLAIN and MICELI, having failed or refused to act in its own right and for its own benefit.

#### **SECOND CLAIM FOR RELIEF:**

36. Some of the Schedules 13D and Forms 4 filed by the defendants and their intermediary entities are internally contradictory and inconsistent in their descriptions of events material to this suit. This Second Claim For Relief is a precaution against possible errors of details attributable to inaccuracies in the public record.

1 37. ARGYLL, McCLAIN and MICELI, acting during periods not barred by the  
2 statute of limitations measured from the date of the filing of this complaint, purchased  
3 and sold or sold and purchased equity securities or equity security equivalents of  
4 IMMUNOSYN within periods of less than six months of each other while more than  
5 10% beneficial owners and/or officers of IMMUNOSYN.  
6

7 38. By reason of such purchases and sales or sales and purchases of its equity  
8 securities or equity security equivalents within periods of less than six months of one  
9 another while insiders of IMMUNOSYN, ARGYLL, McLAIN and MICELI realized  
10 profits, the exact amounts thereof being unknown to Plaintiff, which profits inure to  
11 the benefit, and are recoverable by plaintiff on behalf, of IMMUNOSYN.  
12

13 **WHEREFORE**, Plaintiff demands judgment:  
14

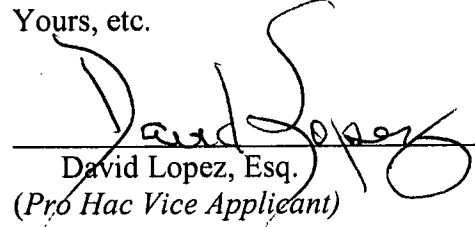
15 a) Requiring ARGYLL, McLAIN and MICELI to account for and to pay over to  
16 IMMUNOSYN the short-swing profits realized and retained by them in violation of  
17 Section 16(b) of the Act, together with appropriate interest and the costs of this suit;  
18

19 b) Awarding to Plaintiff her costs and disbursements including reasonable attorney's,  
20 accountants and expert witness fees; and  
21

22 c) Granting to Plaintiff such other and further relief as the court may deem just and  
23 proper.  
24  
25  
26  
27  
28

1 Dated: Southampton, New York  
2 March 15, 2008

3  
4 Yours, etc.

5   
6 David Lopez, Esq.  
7 (*Pro Hac Vice Applicant*)

8 Dated: San Diego, California  
9 March 17, 2008

10 \_\_\_\_\_  
11 William R. Fuhrman  
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**UNITED STATES  
DISTRICT COURT**  
SOUTHERN DISTRICT OF CALIFORNIA  
SAN DIEGO DIVISION

**# 148940 - SH**

**March 19, 2008  
15:09:29**

**Civ Fil Non-Pris**

USAO #: 08CV0510

Judge.: JEFFREY T MILLER

Amount.: \$350.00 CK

Check#: BC2078

**Total-> \$350.00**

FROM: DONOGHUE V. IMMUNOSYN CORP

JS 44 (Rev. 11/04)

## CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM.)

## I. (a) PLAINTIFFS

DEBORAH DONOGHUE

(b) County of Residence of First Listed Plaintiff WESTCHESTER, N.Y.  
(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorney's (Firm Name, Address, and Telephone Number)

DAVID LOPEZ, ESQ., 171 EDGE OF WOODS RD., P.O. 323  
SOUTHAMPTON, NEW YORK 11968 // 631.287.5520

## DEFENDANTS

IMMUNOSYN CORPORATION, ARGYLL BIOTECHNOLOGY  
LLC, DOUGLAS McCLAIN, JR. & MICELI

County of Residence of First Listed Defendant

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE  
LAND INVOLVED.

Attorneys (If Known)

NOT KNOWN

## II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- ☐ 1 U.S. Government Plaintiff
- ☐ 2 U.S. Government Defendant
- ☒ 3 Federal Question (U.S. Government Not a Party)
- ☐ 4 Diversity (Indicate Citizenship of Parties in Item III)

## III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- Citizen of This State ☐ 1 PTF ☐ 1 DEF ☐ 1
- Citizen of Another State ☐ 2 PTF ☐ 2 DEF ☐ 2
- Citizen or Subject of a Foreign Country ☐ 3 PTF ☐ 3 DEF ☐ 3
- Incorporated or Principal Place of Business In This State ☐ 4 PTF ☐ 4 DEF ☐ 4
- Incorporated and Principal Place of Business In Another State ☐ 5 PTF ☐ 5 DEF ☐ 5
- Foreign Nation ☐ 6 PTF ☐ 6 DEF ☐ 6

## IV. NATURE OF SUIT (Place an "X" in One Box Only)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excl. Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	<b>PERSONAL INJURY</b> <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury <b>PERSONAL INJURY</b> <input type="checkbox"/> 362 Personal Injury - Med. Malpractice <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability <b>PERSONAL PROPERTY</b> <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 610 Agriculture <input type="checkbox"/> 620 Other Food & Drug <input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 630 Liquor Laws <input type="checkbox"/> 640 R.R. & Truck <input type="checkbox"/> 650 Airline Regs. <input type="checkbox"/> 660 Occupational Safety/Health <input type="checkbox"/> 690 Other	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 <b>PROPERTY RIGHTS</b> <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark <b>SOCIAL SECURITY</b> <input type="checkbox"/> 861 HIA (1395f) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) <b>FEDERAL TAX SUITS</b> <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	<input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 810 Selective Service <input checked="" type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 875 Customer Challenge 12 USC 3410 <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 892 Economic Stabilization Act <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 894 Energy Allocation Act <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice <input type="checkbox"/> 950 Constitutionality of State Statutes
<b>REAL PROPERTY</b> <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	<b>CIVIL RIGHTS</b> <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 444 Welfare <input type="checkbox"/> 445 Amer. w/Disabilities - Employment <input type="checkbox"/> 446 Amer. w/Disabilities - Other <input type="checkbox"/> 440 Other Civil Rights	<b>PRISONER PETITIONS</b> <input type="checkbox"/> 510 Motions to Vacate Sentence <b>Habeas Corpus:</b> <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition		

## V. ORIGIN

(Place an "X" in One Box Only)

- ☒ 1 Original Proceeding ☐ 2 Removed from State Court ☐ 3 Remanded from Appellate Court ☐ 4 Reinstated or Reopened ☐ 5 Transferred from another district (specify) ☐ 6 Multidistrict Litigation ☐ 7 Appeal to District Judge from Magistrate Judgment

## VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):  
15 USC 78p(b)

Brief description of cause:  
SHAREHOLDER SUIT TO RECOVERY SHORT-SWING PROFITS

## VII. REQUESTED IN COMPLAINT:

☐ CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23

DEMAND \$  
ACCOUNT & PAY

CHECK YES only if demanded in complaint:  
JURY DEMAND: ☒ Yes ☐ No

## VIII. RELATED CASE(S) IF ANY

(See instructions):

JUDGE

N/A

DOCKET NUMBER

DATE

03/15/2008

SIGNATURE OF ATTORNEY OF RECORD

FOR OFFICE USE ONLY

RECEIPT #

148940

AMOUNT

\$350

APPLYING IFP

JUDGE

MAG. JUDGE

SEA 3/19/08

CR